

- Forging strategic alliances with other, often larger, firms in the industry, including networks of CEOs
- Finding the capital necessary to develop the products and market them to users
- Creating acceptance of the technologies by the market.

A Glance at the Regional Employment Statistics for May

Total wage and salary employment in the SCAG region's six counties combined in May was 6,175,500, up 127,700 jobs, or 2.1 percent, from year-earlier (Figures 1 and 2, Tables 1 and 3). While *durable goods manufacturing* still posted modest year-over-year job declines (300 jobs, or -0.1%), *manufacturing* overall registered a small increase in employment, by 1,300 jobs or 0.1%. Revised EDD labor market statistics showed that the region's total manufacturing employment level has been very stable since November 1994. There were eight positive year-over-year employment readings between November 1994 and May 1996, indicating that employment losses may be bottoming out, and the overall manufacturing job market has stabilized. Regionwide, sectors showing the most robust year-over-year employment growth include: construction (up 12,400 jobs, or 5.8%), apparel and textiles (+6,000 jobs, or 4.4%), wholesale trade (+16,300 jobs, or 4.1%), retail trade (up 20,500 jobs, or 2.0%), and services (up 71,800 jobs, or 3.9%), especially the business services

component, amusement, recreation, engineering and management and motion pictures (Figure 4 and Table 5).

The SCAG region's **weighted average unemployment rate** dropped for the third month in a row, to 7.3 percent in May from 7.8% in February, 7.5% in March, and 7.4% in April (Table 4). However, the region's May unemployment rate was still fractionally higher than its year-ago level (7.3% vs. 7.2%). California's jobless rate (seasonally unadjusted) also showed improvement between April and May--declining to 7.0% from 7.4%--while the U.S. jobless rate (also on a seasonally unadjusted basis) was 5.4% in May, unchanged from its April level. Both the state and the national unemployment rates were below their year-ago levels.

Note to Our Readers

SCAG Employment Trends Monthly will not appear in August, to allow staff time to prepare the State of the Region report for Regional Transportation Plan, Environmental Impact Report. Regular publication will resume in September with labor market data for July. If you need the June numbers, you may contact the Economic Analysis Division at SCAG: (213) 236-1897.

You can now read and download SCAG Employment Trends Monthly through SCAG Home Page on Internet.
The address: www.scag.ca.gov

The Index of Regional Leading Economic Indicators

The California State University Long Beach Office of Economic Research reports that the Office's Index of Regional Leading Economic Indicators declined 0.1% in June. The index stands at a value of 95.4, compared to a reading of 95.5 in May, and was unchanged from one year ago.

The recent performance of the Index of Regional Economic Indicators is troublesome. June's decline marked the fourth consecutive monthly retreat, indicating that activity in the regional economy may slow down six to nine months ahead. According to researchers at CSULB's Office of Economic Research, a key cause of the recent decline in the indicator has been the sharp increase in business failures in the City of Los Angeles in the past couple of months. In addition, rising interest rates appear to be dampening the growth in regional new building permits.

For additional information and comment on the Index of Regional Leading Economic Indicators, please contact either Lisa Grobar (310) 985-1652, Joseph Magaddino (310) 985-8136, or Peter Griffin (310) 985-4783, professors of Economics and authors of the index.